

LOWENSTEIN, SANDLER

APR 5 1999

April 2, 1999

RECEIVED

13 BWSF  
12-11-8

**St. Paul Fire and Marine  
Insurance Company**  
Southern California Claim Office  
500 S Kraemer Blvd.  
Brea, CA 92821-6728  
714.993.4430  
U/W Fax 714.993.1054  
Admin Fax 714.993.0834

*Mailing Address:*  
P.O. Box 5000  
Brea, CA 92822-5000

Mr. David M. Wissert  
Lowenstein Sandler, PC  
65 Livingston Avenue  
Roseland, NJ 07068-1791

Insured : Marmon Holdings, Inc. et.al.  
Your Client : Group R Co., Inc.  
Claim No. : LC05515620 04R001  
Re : Potential Environmental Damage Claim  
Site : Coeur d'Alene Basin, Northern ID

Dear Mr. Wissert:

This follows your letter of May 27, 1998 wherein you state that the Court denied the United States' and the Tribes' motion to amend their complaints to add your client as a defendant.

In reviewing the Court's order, we note that the motion was denied without prejudice, and that the plaintiffs could renew their motions after the Court ruled on certain dispositive motions before it. We respectfully request that you advise us as to the status of this matter. Has the Court ruled on the dispositive motions? Have plaintiffs refiled their motions to add Group R, as a defendant? If so, please provide a copy of the motion, and other pertinent documents/filings.

Secondarily, if Group R seeks coverage for this matter under the policy issued by St. Paul Fire and Marine Insurance Company, (St. Paul) to Marmon Holdings Inc., (Marmon) please advise us of the relationship between Group R and Marmon.

Please note, as stated in previous correspondence, St. Paul issued an Excess Third Party Liability Policy to Marmon. As such, St. Paul is under no obligation to defend or indemnify its insured under the policy absent the exhaustion of underlying insurance.

We continue to monitor and investigate this matter under a full reservation of rights. Neither this letter nor any action taken by St. Paul shall act as a waiver or

Members of  
The St. Paul Companies:  
St. Paul Fire and Marine  
Insurance Company  
St. Paul Mercury  
Insurance Company  
St. Paul Guardian  
Insurance Company  
The St. Paul  
Insurance Company  
The St. Paul  
Insurance Company  
of Illinois  
St. Paul Property  
and Casualty  
Insurance Company  
St. Paul Fire and Casualty  
Insurance Company  
Athena Assurance  
Company  
St. Paul Indemnity  
Insurance Company  
St. Paul Medical Liability  
Insurance Company  
St. Paul Insurance  
Company of  
North Dakota  
Economy Fire & Casualty  
Company  
Economy Preferred  
Insurance Company  
Economy Premier  
Assurance Company  
United States Fidelity and  
Guaranty Company  
Fidelity and Guaranty  
Insurance Underwriters, Inc.  
Fidelity and Guaranty  
Insurance Company  
USF&G Business  
Insurance Company  
USF&G Family  
Insurance Company



GRP "R" CDA dm - 0365

LS 003917

**The St Paul**

LC05515620 04R001


Page 2

modification of any terms, conditions, definitions or exclusions under the policy issued by St. Paul to Marmon Holdings Inc.

Should you have any questions or comments regarding the above, please feel free to contact me.

Sincerely,

**The St. Paul Fire and Marine Insurance Company**



Robert J. Sparkman  
Senior Environmental Claim Representative  
714/572-7223

RJS/MarmonHoldings\April, 1999

GRP "R" CDA dm - 0366

LS 003918